Four Nines Gold Inc.

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended January 31, 2023 and 2022

(Expressed in Canadian Dollars)

Charlton + Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Four Nines Gold Inc.

Opinion

We have audited the accompanying consolidated financial statements of Four Nines Gold Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2023 and 2022 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of $494,858 during the year ended January 31, 2023 and, as of that date, the Company's total deficit was $2,046,254. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no other key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of

management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
May 29, 2023

Four Nines Gold Inc.
Consolidated Statements of Financial Position
As at January 31, 2023 and 2022
(Expressed in Canadian Dollars)

		2023		2022
ASSETS				
Current assets				
Cash	$	245,545	$	1,014,975
GST receivable		1,890		2,505
Prepaid expense		17,211		10,487
		264,646		1,027,967
Exploration advances		12,113		-
Exploration and evaluation assets (Notes 5 and 9)		584,289		218,054
Total assets	$	861,048	$	1,246,021
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	44,603	$	132,062
		44,603		132,062
SHAREHOLDERS' EQUITY				
Share capital (Note 6)		2,429,311		2,372,311
Equity component of convertible debentures (Note 3)		31,250		31,250
Reserves (Note 6)		402,764		261,794
Accumulated other comprehensive loss		(626)		-
Deficit		(2,046,254)		(1,551,396)
Total shareholders' equity		816,445		1,113,959
Total liabilities and shareholders' equity	$	861,048	$	1,246,021

Nature and continuance of operations – Note 1

Subsequent events – Notes 5,6 and 11

APPROVED ON BEHALF OF THE BOARD:

"Charles Ross" Director ***"Geoff Balderson"*** Director

The accompanying notes are an integral part of these consolidated financial statements.

Four Nines Gold Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
Expenses		
Bank charges	$ 849	$ 714
Consulting fees (Note 9)	24,500	84,396
Filing fees and transfer agent	42,329	31,510
Foreign exchange loss	1,617	-
Marketing	15,800	2,500
Office and general	14,619	8,806
Professional fees	81,260	64,344
Property investigation (Note 9)	115,050	100,235
Rent (Notes 3 and 9)	47,990	-
Share-based payments (Notes 6 and 9)	140,970	176,620
Travel and entertainment	9,874	-
Net loss for the year	(494,858)	(469,125)
Other comprehensive loss		
Loss on translation of foreign operations	(626)	-
Total comprehensive loss for the year	$ (495,484)	$ (469,125)
Basic and diluted loss per common share	$ (0.03)	$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	15,515,900	14,222,848

The accompanying notes are an integral part of these consolidated financial statements.

Four Nines Gold Inc.
Consolidated Statements of Changes in Shareholders' Equity
For the years ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)

	Number of common shares	Share capital	Shares subscribed	Equity component on convertible debenture	Reserves	Accumulated other comprehensive loss	Deficit	Total
Balance, January 31, 2021	12,305,900	$ 1,490,659	$ 5,000	$ 31,250	$ 85,174	$ -	$ (1,082,271)	$ 529,812
Cash transactions:								
Private placements	2,461,863	861,652	-	-	-	-	-	861,652
Exercise of warrants	200,000	20,000	(5,000)	-	-	-	-	15,000
Share-based payments	-	-	-	-	176,620	-	-	176,620
Loss for the year	-	-	-	-	-	-	(469,125)	(469,125)
Balance, January 31, 2022	14,967,763	$ 2,372,311	$ -	$ 31,250	$ 261,794	$ -	$ (1,551,396)	$ 1,113,959
Cash transactions:								
Exercise of warrants	570,000	57,000	-	-	-	-	-	57,000
Share-based payments	-	-	-	-	140,970	-	-	140,970
Cumulative translation adjustment	-	-	-	-	-	(626)	-	(626)
Loss for the year	-	-	-	-	-	-	(494,858)	(494,858)
Balance, January 31, 2023	15,537,763	$ 2,429,311	$ -	$ 31,250	$ 402,764	$ (626)	$ (2,046,254)	$ 816,445

The accompanying notes are an integral part of these consolidated financial statements.

Four Nines Gold Inc.
Consolidated Statements of Cash Flows
For the years ended January 31, 2023 and 2022
(Expressed in Canadian Dollars)

	2023	2022
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Loss for the year	$ (494,858)	$ (469,125)
Items not affecting cash:		
Share-based payments	140,970	176,620
Change in non-cash working capital items:		
GST receivable	615	(1,782)
Prepaid expense	(6,724)	(2,387)
Accounts payable and accrued liabilities	(106,299)	81,741
Net cash used in operating activities	(466,296)	(214,933)
INVESTING ACTIVITIES		
Acquisition of resource property	(161,151)	(25,000)
Deferred exploration and evaluation costs	(183,624)	-
Exploration advances	(12,113)	-
Net cash used in investing activities	(356,888)	(25,000)
FINANCING ACTIVITY		
Shares issued for cash	57,000	876,652
Net cash provided by financing activity	57,000	876,652
Change in cash for the year	(766,184)	636,719
Effects of foreign exchange on cash	(3,246)	-
Cash, beginning of year	1,014,975	378,256
Cash, end of year	$ 245,545	$ 1,014,975
Supplemental Information:		
Cash paid for interest during the year	$ -	$ -
Cash paid for income taxes during the year	$ -	$ -
Non-cash Transaction:		
Exploration and evaluation asset included in accounts payable	$ 18,840	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1 Nature and continuance of operations

The Company was incorporated on March 19, 2015 in British Columbia. On August 24, 2017, the Company completed an initial public offering ("IPO") and was listed on the Canadian Securities Exchange (“CSE"). The Company commenced trading on the CSE on August 31, 2017 under the symbol “FNAU”.

The head office, principal address and records office of the Company are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

Going Concern

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation in the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At January 31, 2023, the Company has a working capital of $220,043 (2022 - $895,905) however, it has not yet achieved profitable operations and has an accumulated deficit of $2,046,254 (2022 - $1,551,396) and for the year ended January 31, 2023 incurred a loss of $494,858 (2022 - $469,125), and expects to incur further losses in the development of its business.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, of the pandemic and the war in the Ukraine, to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

The above material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

2 Basis of preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 29, 2023.

2 Basis of preparation – (cont'd)

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in the accounting policies set out in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All dollar amounts presented are in Canadian Dollars, which is the functional currency of the parent Company and its subsidiary Hayden Hill Mining Inc. ("Hayden Hill"). The functional currency of Lassen Resources Inc. ("LRI") is the US Dollar ("USD"). All amounts are rounded to the nearest dollar.

3 Significant Accounting Policies

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries.

On February 2, 2022, the Company incorporated Lassen Resources Inc. a Nevada Corporation.

On May 5, 2022, the Company incorporated Hayden Hill Mining Inc. a company incorporated under the Business Corporations Act of British Columbia.

		Percentage of ownership	
	Country	2023	2022
Hayden Hill Mining Inc.	Canada	100%	-
Lassen Resources Inc.	United States	100%	-

The results of the wholly-owned subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiaries ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Exploration and Evaluation Assets

General Exploration Costs

General exploration costs are expensed in the year in which they are incurred. During the year ended January 31, 2023, $115,050 (2022 - $100,235) is expensed as property investigation to profit or loss.

3 Significant Accounting Policies – (cont'd)

Exploration and Evaluation Assets – (cont'd)

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the year in which they occur.

Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction'. Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration and evaluation assets.

Impairment of Non-Financial Assets

Impairment tests on intangible assets with indefinite useful economic lives are undertaken annually at every reporting period. Other non-financial assets, including exploration and evaluation assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

3 Significant Accounting Policies – (cont'd)

Impairment of Non-Financial Assets – (cont'd)

The Company has one cash-generating unit for which impairment testing is performed.

An impairment loss is charged to profit or loss, except to the extent they reverse gains previously recognized in accumulated other comprehensive loss/income.

Financial Instruments

Financial Assets - Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss); and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The company's cash is measured at fair value through profit or loss ("FVTPL").

Financial Assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measures at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

3 Significant Accounting Policies – (cont'd)

Financial Instruments – (cont'd)

Financial Assets – Measurement – (cont'd)

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Statement of Loss and Comprehensive Loss in the period which it arises.

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition of Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

The Company classifies its accounts payable and accrued liabilities as financial liabilities held at amortized cost.

3 **Significant Accounting Policies** – (cont'd)

Compound Financial Instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to units at the option of the holder, and the number of units to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry. The Company elects to not reclassify the equity component within equity upon repayment.

Rehabilitation Provision

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration and evaluation assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

As at January 31, 2023 and 2022, the Company did not have any rehabilitation provisions.

Other Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3 Significant Accounting Policies – (cont'd)

Income Taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments.

Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company's shares on the TSX Venture Exchange on the date of the agreement to issue the shares or the date of share issuance, whichever is more appropriate. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as reserves.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3 Significant Accounting Policies – (cont'd)

Share-Based Payments

The Company grants stock options to directors, officers, employees and service providers. The Board of Directors grants such options for periods of up to five years, with vesting periods determined at its sole discretion and at prices equal to or greater than the closing market price on the day preceding the date the options were granted. The Company accounts for share-based payments using the fair value method.

The fair value of the options granted to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized immediately that the employees earn the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

The fair value of the options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share reflects the potential dilution that could occur if potentially dilutive securities were exercised or converted to common stock. The dilutive effect of options and warrants and their equivalent is computed by application of the treasury stock method. Diluted earnings per share exclude all dilutive potential common shares if their effect is anti-dilutive.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3 Significant Accounting Policies – (cont'd)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term.

During the year ended January 31, 2023, the Company paid $47,990 (2022 - $nil) in short-term rent expense.

Foreign Currency

The functional currency is the currency of the primary economic environment in which an entity operates. The Company recognizes transactions in currencies other than the functional currencies of its entities at the rates of exchange prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognized in the statement of loss and comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions.

At year end, the results of the Company's subsidiary with a USD functional currency are translated into Canadian dollars. The assets and liabilities are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and income and expenses are translated at exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognized as a cumulative translation adjustment in other comprehensive loss.

New Accounting Standards Interpretations Issue But Not Yet Adopted

IAS 1 –Presentation of Financial Statements ("IAS 1"), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. The amendment did not have a significant impact on the Company upon adoption.

4 Critical Accounting Estimates and Judgments

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results may differ from these estimates, and as such, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognized in the period in which the estimates are revised and in any future periods affected. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date that could result in a material adjustment to the carrying value of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Judgments

Going concern

The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year is a judgment. The factors considered by management are disclosed in Note 1.

Exploration and Evaluation Asset and Impairment

The application of the Company's accounting policy for exploration and evaluation assets and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized.

(Expressed in Canadian Dollars)

4 Critical Accounting Estimates and Judgments – (cont'd)

Estimates

Share-based payments

The determination of the fair value related to share-based payments are subject to estimate. The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

5 Exploration and Evaluation Assets

	Lassen Property	Bonneville Property	Total
Acquisition costs:			
Balance, January 31, 2022	$ -	$ 210,000	$ 210,000
Cash	66,750	22,500	89,250
Staking	71,901	-	71,901
Foreign exchange translation	(1,575)	-	(1,575)
Balance, January 31, 2023	137,076	232,500	369,576
Exploration costs:			
Balance, January 31, 2022	-	8,054	8,054
Report preparation	79,637	-	79,637
Consulting	1,181	-	1,181
Maps	5,820	-	5,820
Travel	10,791	-	10,791
Geologist	79,369	-	79,369
Meals and entertainment	1,912	-	1,912
Office supplies	177	-	177
Geophysical	7,338	-	7,338
Accommodations	4,504	-	4,504
Office field	2,544	-	2,544
Insurance	9,190	-	9,190
Foreign exchange translation	4,196	-	4,196
Balance, January 31, 2023	206,659	8,054	214,713
Total, January 31, 2023	**$ 343,735**	**$ 240,554**	**$ 584,289**

(Expressed in Canadian Dollars)

5 Exploration and Evaluation Assets – (cont'd)

	Lassen Property	Bonneville Property	Total
Acquisition costs:			
Balance, January 31, 2021	$ -	$ 185,000	$ 185,000
Additions	-	25,000	25,000
Balance, January 31, 2022	-	210,000	210,000
Exploration costs:			
Balance, January 31, 2021 and 2022	-	8,054	8,054
Total, January 31, 2023	**$ -**	**$ 218,054**	**$ 218,054**

Bonneville Property, Quebec

On June 18, 2020 and as amended on July 27, 2020, the Company entered into an option agreement with Tellford Management Ltd. whereby, the Company may acquire up to 100% interest in the Bonneville Property. This property consists of 36 mineral tenures and is located in central Quebec in the Lac Bachelor gold camp. As consideration for the interest, the Company will pay cash of $210,000, and incur $350,000 in exploration expenditures as follows:

a) Cash payment of $35,000 upon signing (June 18, 2020) (Paid);
b) Cash payment of $75,000 upon regulatory authorities' approval (June 22, 2020) (Paid);
c) Cash payment of $75,000 by July 31, 2020 (Paid);
d) Cash payment of $25,000 by June 18, 2021 (Paid); and
e) Incur $350,000 in exploration expenditures on or before June 18, 2022 (extended per below) (Incurred $8,054).

In the event of a shortfall of exploration expenditures, the Company can pay the Optionor in cash or shares of the Company as long as the share issuance does not make the Optionor a holder of more than 19.9% of the shares outstanding at the time of issuance.

Should the Company acquire 100% of the property the Optionor will retain a 1% Net Smelter Returns ("NSR") royalty. The Company shall be entitled to buy back the 1% NSR for $1,000,000.

On November 8, 2022, the Company extended the exploration expenditure commitment until December 31, 2022, and in consideration for the extension, the Company paid $15,000. On December 29, 2022, the Company extended the period further to March 31, 2023 and paid $7,500 for the extension. On March 31, 2023, the Company and the Optionor amended the agreement and extended the exploration expenditure commitment whereby $50,000 in exploration expenditures would be due on or before December 31, 2023 and the reminder will be due on or before December 31, 2024. As consideration for the extension, the Company will pay the Optionor $2,500 per month for the duration of the option commencing January 2023.

5 Exploration and Evaluation Assets – (cont'd)

Lassen Properties, California

During the year ended January 31, 2023, the Company staked 25 claims located in Hayden Hill Mining District in California totaling $71,901.

On August 19, 2022, the Company entered into an option agreement to acquire the right to explore the Lassen properties and all of the issued and outstanding shares of a Lassen Gold Mining, Inc. ("Lassen Gold") from its parent company Kinam Gold Inc. ("Kinam"). Lassen Gold holds an interest in 62 mineral claims located in Lassen County, California. The agreement shall be effective from August 19, 2022 (the "Effective Date") through to November 1, 2025 (the "Option Period").

In order to earn the right to explore the property, the Company shall incur the following"

- Pay US$50,000 in cash on execution date (Paid);
- Pay US$60,000 (Paid subsequent to year end) and incur US$250,000 in qualifying expenditures on or before March 1, 2023 (Incurred);
- Pay US$100,000 and incur additional US$500,000 in qualifying expenditures on or before November 1, 2024;
- Incur additional US$500,000 in qualifying expenditures on or before November 1, 2025.

The US$250,000 due on or before March 1, 2023 is a firm commitment and shall not be affected by any termination of the agreement. If the agreement is terminated prior to LRI completing the US$250,000 expenditure requirement, LRI will need to pay Lassen the amount of shortfall within 30 days following termination.

During the Option Period, the Company shall have the opportunity, but not the obligation, to purchase all of the issued and outstanding shares of Lassen. As consideration for the acquisition, the Company will pay an amount equal to US$2,000,000 minus all the options payments paid as of the date of exercise of the option and minus any decommissioning liabilities, and the assumption of any bonds, guarantees, or other financial assurances provided or guaranteed by Kinam or its affiliates in respect of the Property. The Company can exercise the option with a written notice at any time within the Option Period.

Kinam will retain a 2.0% Net Smelter Returns Royalty ("NSR") on all minerals produced and sold from the property. The Company has an option to purchase back 0.5% of the NSR for a payment of US$1,900,000 within seven years of the Effective Date.

6 Share Capital

a) Authorized

Unlimited Class A common shares, without par value.
Unlimited Class B common shares, without par value.

(Expressed in Canadian Dollars)

6 Share Capital – (cont'd)

b) Issued

During the year ended January 31, 2023:

On February 14, 2022, the Company issued 570,000 common shares pursuant to the exercise of share purchase warrants with an exercise price of $0.10 for total proceeds of $57,000.

During the year ended January 31, 2022:

On April 29, 2021, the Company closed a non-brokered private placement of 2,461,863 units at a price of $0.35 per unit for total proceeds of $861,652. Each unit consists of one common share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.70 per share expiring on April 29, 2023.

During the year ended January 31, 2022, the Company issued 200,000 common shares pursuant to the exercise of share purchase warrants for total proceeds of $20,000 of which $5,000 was included in share subscriptions received at January 31, 2021.

c) Share purchase warrants

Details of share purchase warrant activities for the years ended January 31, 2023 and 2022 are as follows:

	Number of Warrants	**Weighted Average Exercise Price**
Balance, January 31, 2021	9,675,000	$0.10
Exercised	(200,000)	$0.10
Issued	1,230,933	$0.70
Balance, January 31, 2022	10,705,933	$0.17
Exercised	(570,000)	$0.10
Balance, January 31, 2023	10,135,933	$0.17

The weighted average remaining life of the share purchase warrants is 1.31 years.

As at January 31, 2023, the following share purchase warrants were outstanding:

Number of Warrants	**Exercise Price**	**Expiry Date**
1,230,933	$0.70	April 28, 2023*
4,950,000	$0.10	November 9, 2023
2,100,000	$0.10	March 2, 2025
1,855,000	$0.10	August 21, 2025
10,135,933		

*Subsequent to January 31, 2023, 1,230,933 share purchase warrants that were set to expire on April 28, 2023 were extended to expire on April 28, 2024.

6 Share Capital – (cont'd)

d) Stock options

The Company has a formal stock option plan in accordance with the policies of the TSX Venture Exchange (the "Exchange") under which it is authorized to grant options to directors, officers, employees and consultants to purchase shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding shares. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company. Each stock option granted is for a term not exceeding five years unless otherwise specified. Outstanding options vest immediately at date of grant. Options granted to investor relations personnel vest in accordance with Exchange regulations.

On December 2, 2021, the Company granted 30,000 stock options exercisable to a consultant. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.64 per share expiring on December 2, 2024 and vested at 25% every three months with the first vesting on March 2, 2022 and every three months thereafter with the last vesting on December 2, 2022. The fair value of the stock options amounted to $10,800 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.64; Risk-free interest rate of 1.06%; Dividend yield of Nil; Expected volatility of 89%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. As at January 31, 2023, the Company recorded share-based payments totaling $7,075 (2022 – $3,725).

On November 25, 2021, the Company granted 605,000 stock options exercisable to consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.59 per share expiring on November 25, 2024 and vested at 25% every three months with the first vesting on February 25, 2022 and every three months thereafter with the last vesting on November 25, 2022. The fair value of the stock options amounted to $199,650 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.58; Risk-free interest rate of 1.17%; Dividend yield of Nil; Expected volatility of 91%; Expected life of 3 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. As at January 31, 2023, the Company recorded share-based payments totaling $122,177 (2022 – $76,237).

On February 1, 2021, the Company granted 100,000 stock options to a director of the Company which vest at the date of grant. The stock options entitled the holder the right to purchase one common share for each option at $0.48 per share expiring on February 1, 2023. The fair value of the stock options amounted to $Nil (2022 – $23,000) was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.46; Risk-free interest rate of 0.23%; Dividend yield of Nil; Expected volatility of 97%; Expected life of 2 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data.

On September 21, 2020, the Company granted 760,000 stock options exercisable to directors of the Company and consultants. The stock options entitle the holders thereof the right to purchase one common share for each option at $0.25 per share expiring on September 21, 2025 and vested at 12.5% every three months with the first vesting on December 21, 2020 and every three months thereafter.

(Expressed in Canadian Dollars)

6 Share Capital – (cont'd)

d) Stock options – (cont'd)

The fair value of the stock options amounted to $152,000 was determined using the Black Scholes option pricing model with the following assumptions – Share price on grant date of $0.25; Risk-free interest rate of 0.36%; Dividend yield of Nil; Expected volatility of 116%; Expected life of 5 years and forfeiture rate of 0%. Volatility was determined based on the Company's historical data. As at January 31, 2023, the Company recorded share-based payments totaling $11,718 (2022 – $73,658).

	Number of Options	Weighted Average Exercise Price
Balance, January 31, 2021	760,000	$0.25
Granted	735,000	$0.58
Balance, January 31, 2022	1,495,000	$0.41
Forfeited	(25,000)	$0.45
Balance, January 31, 2023	1,470,000	$0.41

The weighted average remaining life of the stock options is 2.12 years.

As at January 31, 2023, the Company had 1,470,000 stock options outstanding as follows:

Number of Options	Vested	Exercise Price	Expiry Date
100,000	100,000	$0.48	February 1, 2023
590,000	590,000	$0.59	November 25, 2024
30,000	30,000	$0.64	December 2, 2024
750,000	750,000	$0.25	September 21, 2025
1,470,000	1,470,000		

Subsequent to January 31, 2023, 100,000 stock options expired unexercised.

7 Financial Instruments and Risk Management

a) Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair Value Hierarchy:

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

7 Financial Instruments and Risk Management – (cont'd)

a) Determination of Fair Value - (cont'd)

- Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

- Level 3 – Applies to assets or liabilities for which there are unobservable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

Cash is measured using level 1 fair value inputs. As at January 31, 2023, the Company believes the carrying values of accounts payable and accrued liabilities approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company's financial instruments are exposed to certain financial risks which are in common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

b) Risk Management

General Objectives, Policies and Processes

The Board of Directors have overall responsibility for the determination of the Company's risk management objectives and policies and have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board of Directors are kept apprised on the process and would monitor the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company's risk exposures and the impact on the Company's financial statements are summarized below.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with major financial institutions.

7 Financial Instruments and Risk Management – (cont'd)

b) Risk Management (cont'd)

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at January 31, 2023, the Company has no interest bearing financial instruments and considers interest rate risk to be insignificant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due. All of the Company's financial liabilities are classified as current and are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position.

Foreign currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in a foreign currency. As at January 31, 2023, the Company's foreign currency risk was not significant.

8 Capital Management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

9 Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Related party transactions are comprised of services rendered by directors and/or officers of the Company or by a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

(Expressed in Canadian Dollars)

9 Related Party Transactions – (cont'd)

Key management personnel compensation

The Company considers its President, Chief Executive Officer, Chief Financial Officer, and the directors of the Company to be key management.

	Relationship	2023	2022
Consulting fees			
Harmony Corporate Services Ltd.	Company controlled by Geoff Balderson, Director and CFO	$ 24,000	$ 22,500
Exploration costs			
David Flint	Director	69,087	-
Winthrop Rowe	Director	13,932	
Property investigation costs			
David Flint	Director	521	-
Rent			
Norsemont Mining Inc.	Common director	47,990	-
Share-based payments			
Charles Ross	Director and CEO	2,313	14,538
Jim Mustard	Director	1,156	7,269
Geoff Balderson	Director and CFO	385	2,423
Joseph Yelder	Director	771	4,846
Daniel Schieber	Former Director	-	23,000
David Flint	Director	20,195	12,601
Winthrop A. Rowe	Director	2,092	-
		26,912	64,677
		$ 182,442	$ 87,177

Included in accounts payable and accrued liabilities at January 31, 2023, is $8,804 (2022 - $22,008) owed to a director and a Company controlled by the CFO for reimbursements of expenses or unpaid fees. The amounts are unsecured, non-interest bearing with no specific terms of repayment.

(Expressed in Canadian Dollars)

10 Income Taxes

The difference between tax expense for the year and the expected income taxes based on the statutory tax rates arises as follows:

		2023		2022
Loss before tax	$	(494,858)	$	(469,125)
Income tax recovery at local statutory rates – 27.00%	$	(127,000)	$	(127,000)
Chang in statutory, foreign tax, foreign exchange rates and other		2,000		
Permanent differences		38,000		48,000
Share issuance costs		(1,000)		(1,000)
Change in unrecognized tax benefits not recognized		106,000		80,000
Adjustment to prior year provision versus tax return		(18,000)		-
Total income tax expense (recovery)	$	-	$	-

The nature and tax effect of the taxable temporary differences giving rise to deferred tax assets are summarized as follows:

		2023		2022
Non-capital losses	$	335,000	$	256,000
Share issuance costs		-		1,000
Exploration and evaluation assets		159,000		132,000
Unrecognized deferred tax assets		(494,000)		(389,000)
Net deferred tax assets	$	-	$	-

Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

		2023			2022	
Temporary Differences						
Exploration and evaluation assets	$	590,000	No expiry date	$	490,000	No expiry date
Share issuance costs	$	1,000	2023 to 2025	$	2,000	2023 to 2025
Non-capital losses available for future periods	$	1,267,000	2036 to 2043	$	947,000	2036 to 2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.

11 Subsequent Events

Subsequent to year end, 175,000 share purchase warrants were exercised at a price of $0.10 per warrant for total proceeds of $17,500.

Subsequent to year end, 100,000 stock options with an exercise price of $0.48 expired unexercised.